

Summary Minutes
City of Sedona
Planning & Zoning Commission Work Session
City Council Chambers, 102 Roadrunner Drive, Sedona, AZ
Thursday, April 10, 2014 - 3:30 p.m.

1. VERIFICATION OF NOTICE

Chair Losoff confirmed the work session had been properly noticed.

2. CALL TO ORDER & ROLL CALL

Chair Losoff called the work session to order at 3:30 p.m.

Roll Call:

Planning & Zoning Commissioners Present: Chair Marty Losoff, Vice Chair Michael Hadley and Commissioners Eric Brandt, John Currivan, Kathy Levin and Norm Taylor. Commissioner Scott Jablow was excused.

Staff Present: Karen Daines, Andy Dickey, Audree Juhlin, Cynthia Lovely, Cari Meyer, Donna Puckett, Mike Raber and Ron Ramsey

3. ANNOUNCEMENTS & SUMMARY OF CURRENT EVENTS BY COMMISSIONERS & STAFF

There were no announcements.

4. REGULAR BUSINESS

- a. **Staff presentation/discussion of the City Manager recommended Capital Improvement Program (CIP) for FY15-20. This presentation is a follow up to the Planning and Zoning Commission meeting where the FY15-20 CIP requests were presented and input and comments on project priorities and alignment with overall City development objectives were obtained from P&Z commissioners. Staff: Karen Daines, Assistant City Manager (1 hour)**

Karen Daines explained that this presentation is a follow-up to the previous meeting with the Commission, when the 6-year CIP was originally presented as staff's requests, considering the timeframe and capacity to do the projects in any given year. We knew that we could not fund all of those requests, and we had indicated that once revenue projections and some policy decisions were made regarding what should be taken to the Council, we would come back to the Commission with what the CIP looked like when the first three years of the Plan were shown as funded.

Karen pointed out that in the past, only year one was shown as funded in the Plan; however, we now show the first three years of the plan as things we are reasonably sure we can pay for, and anything in the last three years are really requests with no guarantee of funding. There is almost nothing in the last three years that we have money for. We have taken our Capital Reserve; General Fund Reserve, and Special Revenue Funds, such as Development Impact Fee balances, Flood Control funds, etc., and used all of it. In the Capital and General Fund Reserves, we have included all of the funding that would bring us down to our policy limitations on what we have to keep in the fund balance, and in the General Fund that is about 50% of our annual General Fund expenditures or about \$6.5 million a year.

Karen indicated that it also means we won't have \$1.5 million per year to add to the Street Fund for repaving, which we had been transferring from the General Fund Reserve the last couple of years to supplement the HURF Funds received. In the future, we are anticipating just new revenue of about \$600,000 supplementing the approximate \$750,000 in HURF Funds.

Regarding a question about an assumption that there would be new money put into the funds during the six years, Karen explained that there will be funds added in that every year we get roughly \$450,000 from Coconino County and roughly \$400,000 from Yavapai County for flood control, and as development occurs, we receive Development Impact Fee revenue, but those are relatively small in terms of the project requests, and in terms of having a dedicated funding source of about \$10 million to \$12 million per year for future capital infrastructure projects.

Karen explained that the main highlights are in the handout of the updated summary pages. Wastewater has very few changes, because there is \$17 million in the Wastewater Reserve Fund for capital projects, so if we had the capacity to do all of the plant improvements, we could fund them and all of those projects have been incorporated into the Wastewater Rate Analysis over the course of the next 10 years and beyond, so there are no changes.

Karen indicated that for drainage, there weren't many changes in the first three years; they are the projects that Public Works has the capacity to do, and assuming that we are spending all of the reserve funds, we do have funding for those projects. In fiscal years '18, '19 and '20, we don't have that funding, except for those two sources from the Counties, but if there is a multi-million dollar project, it will take several years of accumulation before we have funding to pursue those projects.

Karen explained that the major change in the Public Works category was almost every sidewalk project was pushed into the out years without available funding, because drainage and other projects were higher priorities, except some small sidewalk projects in Uptown for better pedestrian access.

Karen then pointed out that the Police Department's projects remained, as we were able to partially fund those through Development Impact Fees, RICO and State funding. There is nothing in the out years for PD at this time. We also pushed some of the Parks projects, because there wasn't enough general funding, but we are maximizing spending all of the Park's Department Impact Fees. Most of that is in \$1.6 million for land acquisition at Council's discretion, such as for a creekside property or parks land in the Chapel area. The Barbara Antonsen Park is a carry-over, and we put money in Community Development for the Master Planning of the Brewer Road property, and that \$580,000 is from Community Facility District restricted funds for property improvements, depending on the Master Plan.

Karen referenced the Commission's recommendation to add the Category column to the summary page, but explained that staff has not gone through to ensure that each project has been assigned a category yet, but hopefully that will be done before the Plan is given to the City Council the end of April. We have included a comment page that came from the Citizens Budget Committee and the Planning & Zoning Commission.

Summary of Commission's Comments, Questions and Concerns:

- It is a little disconcerting to say we are going to wipe out certain funds. We don't want to become house poor by spending all of the money upfront. The new Community Plan is going to require some dollars.
- We're allocating \$1.6 million for park land acquisition, but sidewalks have been pushed back. In the Community Plan discussions, the Committee didn't hear about park land acquisition, but the Committee heard everything about pedestrian sidewalks, etc. That \$1.6 million could almost fund the third year sidewalk category. Karen Daines explained that the \$1.65 million is a dedicated funding source from Park's Development Impact Fees and that money has to be spent on land purchase for parks. It can't even be used on park improvements.
- Comment that the prioritizing is fine.
- Comment that the Commissioner was going to be looking for the Category numbers, because the Commission brought that up in the February 27th meeting.

- Question regarding the top City Council priorities listed in the background information on page 11. Karen Daines explained that a lot of those are actually operational projects and program-oriented things, not so much even geared to the CIP. Council had taken on a couple of things in Uptown – traffic and parking, so there is a project for about \$1 million for pedestrian access from the municipal parking lot to Main Street, and we do have dedicated funding through Streets Development Impact Fees for those, but Council's priority about pedestrian access, traffic and parking issues in Uptown was part of our consideration, and Council has asked staff over the last couple of years to accelerate the drainage projects, so that is why drainage was prioritized over some other projects.
- Comment that the comments in the packet that are labeled from individual members of the public were actually from the Commission. Karen explained that she incorporated the Budget Committee, Main Street and Chamber under that general category.
- Comment that the Commission will be voting on this; however, Karen clarified that staff is just seeking input and the City Council will ultimately adopt this. The Commissioner then indicated that he doesn't need to be concerned then about being a contestant for the Barbara Antonsen Park, but he won't comment on that.
- Comment that we used to just fund the first year and future years were requests, so doing it for three years is similar in that we had unknown years in the past, so it is not like we are using all of the funds and there won't be any funds in the future. Now, instead of only one year being funded, there are three years funded. Karen agreed and explained that when you only see one year, you don't know how much beyond that we have the capacity to do, so we are trying to make it clearer to the public and Council that we are using all of the reserve funds for capital in these projects in the first three years, and beyond that there is no ongoing funding source, if we spend everything we have in those three years, and that is why we will continue to have discussions with Council about what we will do when we get to years 4-6 of the budget.
- Comment that a lot of the funding is earmarked.
- Question as to if the park land acquisition is from impact fees. Karen indicated yes and explained that the legislation changed in 2012, and prior to that anything in the Parks category covered acquisitions, improvements, open space, etc. After 2012, it was determined that we had used everything we could on improvements, and everything left needed to be for acquisitions, because that is how the fee was based; therefore, everything collected since then is more of an even balance.
- Question as to if that was used for the Brewer Road property, and Karen indicated that was the source used.
- Question regarding the park trail easement acquisition being a rolling fund, but is only funded for one year. Karen explained that will be carried over, so whatever isn't spent in FY 2015 will be rolled over to FY 2016.
- Repeat of the comment that it is disconcerting that we are wiping out all of our funds; there has to be some way to fund the things in the Community Plan.
- Comment that page 1 has the category heading at the top, but the other pages don't, so that should be repeated on the other pages.
- Question as to if it is continuing to be the case that Council will appropriate money on a year-to-year basis. Karen Daines indicated that is correct; the adopted budget will only be year one. We are trying to illustrate that this is what we can afford over the three years, but priorities can change next year.
- Question about the general process for making major changes in some of the items, such as the change in the amount for the Chapel area park and the increased amount for the Uptown area repaving and access improvements that was split into separate projects, etc. Karen explained that as the CIP was developed since December, meetings were held with the Citizens Committee, the departments and the City Manager, etc., so it is a work in progress from January through April, when staff finalizes what will be taken to the City Council. It is the same process for the Operating Budget; things change throughout the process, and even from the time the budget is adopted things change throughout the year.

- Question about the ownership of the Jordan Historic Museum. Karen indicated that the City owns it and Audree Juhlin explained that the City leases it to the Historical Society.
- Question as to whether or not the Bike Skills Park is in Posse Grounds. Karen indicated yes.
- Comment that the idea came from one of the design studies, when they looked at doing something with the hillside.
- Question about how projects come into existence or are brought forward to get on a project list. Karen indicated that one way is from staff, such as from the Master Plans, another way is through the Council priorities, and then another way is from the public, such as the Bike Skills Park.
- Question as to whether or not the Commissioner, as a citizen, could initiate a project and would the City provide the addresses of everyone living off of Brewer Road, so they could be contacted to determine interest. Karen explained that the request could be given to any City staff member, including the Citizen Engagement Coordinator, and it would be put on a list that Council sees every quarter. The Council makes decisions once a year about which things they want pursued, and it generally evolves when there is an organized group with a petition that comes to those sessions. Staff will not spend time pursuing something that Council hasn't sanctioned.
- Comment that there is a group near Brewer Road that is talking about forming a Tax Improvement District for some work on their private roads.
- Comment that in years to come, hopefully, we will see these lists tied directly to the Community Plan, if we want to achieve our long-range projections.

Karen Daines indicated that the next step is that May 1st will be the budget session dedicated to the CIP, and there may be tweaks between now and then, but staff will go through the projects with them and the Council will provide direction. It then will be taken back to the Council the end of May to approve a tentative budget, with the final adoption scheduled the end of June.

Chair Losoff then asked if any Commissioner wanted any major changes made in categories, and Commissioner Taylor stated that he would take the money out of Community Development for the next two years, because the only project in there with dollars assigned is the project that the City decided to buy [the Brewer Road property], and we don't have a specific development plan. Chair Losoff pointed out that this would fund coming up with the plan on how to use that land, and Kathy Levin indicated that the next agenda item will address that.

5. Discussion/update on the City Council's April 9, 2014 Work Session and the implementation plan for the New Community Plan. (30 minutes)

Audree Juhlin explained that staff wanted to get the Commission in the loop as to how the Community Plan will be implemented. Mike Raber then indicated that the Commission received the Agenda Bill that went to the Council. Three priorities were described to the Council; first was the plan for three Community Focus Areas, second was changes to the Land Development Code to ensure its consistency with the Community Plan and the CFA Plans, and third was the preparation of the Strategic Plan.

Mike explained that staff will start working on the CFA Plans right away for the Ranger Road area, the Cultural Park area and the Soldier Pass area, plus the Land Development Code changes to accompany those, because we want to ensure that the appropriate zones are in place to implement those plans and that the Code will enable other planning tools, such as the Transfer of Development Rights. There also will be several housekeeping changes made. The development of the Strategic Plan would begin in about a year and even if we did the Strategic Plan right away, it wouldn't change those two priorities.

Mike indicated that Council concurred with staff on the priorities, and as far as the CFA Plans, staff is pursuing a conceptual planning approach to target plan completion in either 6 months or 12 months and we can do those simultaneously. For instance, Soldier Pass is targeted for the 6-month timeframe and the Cultural Park is targeted for the 12-month timeframe. The Ranger Road CFA Plan will be done in conjunction with the Master Plan for the Brewer Road site. Since that was a CIP project, we want to expand that to do a CFA Plan for the area, so the master planning isn't done in isolation, and that would have a 12-month timeframe.

Mike explained that the CFA Plans will come to the Planning & Zoning Commission and then go to the City Council, so the Commission will review those plans and make recommendations to the Council during the public hearing process. The Plans can be considered at any time rather than only once a year, unlike Major Amendments, and the Major Amendments schedule will be distributed to the Commission tomorrow.

Mike added that there is one additional issue, since we have property owners within the 13 CFAs who may want to bring something forward, we wanted to be sure we had something in place to allow property owners to bring a plan forward on their own, so we will set-up an application process that follows the same process outline that Cynthia will cover.

Cynthia Lovely explained that she will go over the proposed process, the format and the content of a CFA Plan. Staff is proposing two different groups; one will be a small working group of maybe five people that will be part of the Citizen Engagement Program for both the 6-month and 12-month processes, to work with staff throughout the process. One differentiation between that group and a planning group is that the planning group will be used for the 12-month process and those members will be the stakeholders, such as property owners, businesses, developers, etc., within the CFA area. The Citizen Engagement group provides another form of public involvement, which is especially important to the condensed 6-month process.

Cynthia indicated that a five phase process is proposed and you basically double everything for the 12-month process. Phase I is the data collection and preparation for public outreach for about a month of the 6-month process, and two months for the 12-month process. We would refine the CFA boundaries as we move through the process, and we will have to put together our mailing lists for the stakeholders, property owners, business managers, residents in the area, etc., which will be in preparation for the public participation that is Phase II. Phase II may include several workshops at a minimum of one a week, plus use of the Internet for questionnaires, etc. Additionally, the results can be posted and people will be able to comment on those results. Phase III is coming up with the recommendations, and if there is no consensus, we will probably come up with alternatives, with the work group acting in an advisory capacity. The following phase is when P&Z will review and refine the draft recommendations, and then hold public hearings. After that, it will go to the City Council for a similar process.

Cynthia explained that staff envisions that, similar to the Community Plan, the final CFA Plans need to be user-friendly and really focus on the recommendations. To save time, there won't be a background history section; it will have a review of Community Expectations and Key Issues, some of which are in the Community Plan, and then the recommendations. The key is that the whole planning process and the recommendations will be based on the Community Plan and each CFA Plan will follow the format of the six vision elements, such as Environmental Stewardship, Economic Diversity, Walkability and Traffic. There may be additional elements, but at a minimum, those topics would be addressed, in addition to implementation and a heavy reliance on illustrations for conceptual or specific maps that may look at things like zoning, circulation, transportation and desired characteristics, etc. We might hire someone to do the illustrations, but not necessarily.

Summary of Commission's Comments, Questions and Concerns:

- Question as to whether or not stakeholders are only people geographically inside the CFA area. Cynthia indicated that is yet to be determined, especially for the mailing of invitations for the workshops.

- Comment that people in the nearby properties will be affected by the CFA, so they might have something to say about it.
- Question about who can bring forward a plan within a CFA before the CFA goes through the whole process, and if there was something about needing to be a minimum number involved, but if so, to what extent will we be hampering an individual's ability to do that. Mike Raber explained that there is still fine-tuning needed, but it basically doesn't change a person's ability to come forward with a request for a Plan Amendment or rezoning. We want to have an opportunity for someone to go further along the lines of the Community Plan, so we could consider it as a Specific Plan if it includes a certain size of the CFA area for instance, which would be an incentive for property owners to do something that could result in a rezoning to their benefit and the City's benefit. We don't want to consider a Specific Plan as being for one parcel, but property owners could bring in a joint application for a percentage or certain number of properties in the area.
- Comment that if a developer within a CFA wanted to do something, we couldn't say no. Mike Raber agreed that we would have to take the application forward; we can't have a moratorium, but we are trying to create a solution that not only allows the property owner to bring in an application for review, but also allows a property owner to initiate a specific planning process as another tool, if others in the area get involved.
- Comment that hopefully people won't work in a vacuum. Mike Raber agreed that staff needs to be proactive in telling them the Plan recommendations.
- Question as to whether or not staff will provide guidance in terms of what percentage of the people, etc., need to come forward, and Mike Raber indicated yes, that would be created as part of an application process.
- Question about the use of condemnation if somebody wants to do something that isn't what you want to achieve in a CFA. Mike Raber pointed out that Prop 207 places restrictions on how you can do that. Chair Losoff added that would be the last resort in a worst case scenario.
- Comment that the plan to plan is fine.
- Comment that staff made an excellent presentation to the Council.
- Question about how the Master Plan for the Brewer Road property and the CFA Plan will be integrated. Mike Raber indicated that some of that is to be determined, but ideally, it would be do that all as one project. Audree Juhlin explained that when the CIP project came forward, the CFA portion wasn't identified, and as staff talked in the budget discussions, the dollar amount was already assigned, but it didn't make sense to do them separately, so they were combined; however, the question is at what point they are combined. Should there be two consultants or one consultant, etc.
- Comment that the assumption is that the Master Plan would be detailed, but not so much for the CFA Plan. Audree Juhlin agreed and indicated that is why we don't know if there should be one consultant or two, and that is the reason for the additional \$50,000 for the CFA.
- Comment that for the overall planning, there should be one budget for the CFA needs and other big picture items.
- Comment that the problem is for example in Uptown, there was a block that was going to be taken for parking, but they built a parking lot north of Uptown without a good way to get from the parking lot to Uptown, so we are now going to fix it for \$1 million, not make it work or good, because there is an elevator. . . It is about how the City seems to operate and that as a city becomes mature, it has to work hard with landowners or use condemnation. There has to be an overall plan to handle cars, but you can't make it work by saying just buy some available land and making it parking with the hope that it works. Audree Juhlin pointed out that makes the point for the need for the CFA Specific Plans; we do need to look in a broader context and not in isolation, and that is part of the emphasis in the specific planning.
- Concern about the almost full-time job of revising the Land Development Code and the hope that there are funds and people available who can come in and review these plans, without just relying on staff and committees formed to deal with that. Reviewing them and coming back with recommendations could be a two-year project in itself.
- Concern that we have a Community Plan that identifies the CFAs, but there are also six or seven major vision themes, and a few of them like Circulation is not unique to the CFAs; the

CFA Plans won't address the citywide issue, so how will those things be addressed? Mike Raber explained that the CFA Plans have to consider their place in the overall city as well. We may not have a Pedestrian-Circulation Plan adopted before starting the CFAs, but it doesn't mean we can't come up with a specific plan.

- Comment that the Soldier Pass CFA Plan may include ideas to improve pedestrian and vehicle circulation within the CFA, but not the infrastructure needs in other parts of the City. Audree Juhlin indicated that one of the outcomes of the Community Plan is the strategic implementation of the Plan, and what you just mentioned is a high priority; however, we chose the CFA Plans first, because we know we have the strong likelihood of getting applications for them.
- Comment that you can improve a CFA, but people can't get to it, so hopefully, the implementation will take that into consideration.
- Question about what is expected of the Commissioners before it comes to the Commission. Mike Raber indicated that the Commission's role during the adoption phase is critical, and we may want to engage Commissioners in different ways, but that is something to be determined and staff will keep the Commission informed through updates.

Chair Losoff encouraged Commissioners to review the CFAs in the Community Plan.

6. Discussion/update on the current development review process and the Design Review Work Group currently meeting through the City's Citizen Engagement Program (15 minutes)

Cari Meyer reported that Chair Losoff and Commissioner Currivan are on the Citizen Engagement group and there was a meeting yesterday. Staff will be providing the group with an outline of the current process, what can be done under the current code and what items may require code amendments. The outcome from the group was to reduce redundancy in the process, ensure that all agencies get their chance to review, lessen subjectivity, create two separate tracks for categorizing projects, so some could go through more quickly, and possibly do Community Plan Amendments and Zone Changes at the same time, with the Development Review done separately. Cari then asked Commissioners to add anything else that should be reviewed by the group.

Commissioner Currivan added that one of the general themes was that there can't be a one-size-fits-all process and there needs to be some flexibility. Regarding the idea of doing the Community Plan Amendments and the Zone Changes together, the developers felt they already had that flexibility and the question was whether they wanted to roll the dice on it, because there could be a big expenditure of money to try to do those in parallel compared to making sure you get the amendment first.

Chair Losoff referenced Cottonwood's process that has a general review by all agencies at one meeting, then staff prepares a report and it goes to P&Z, and the biggest issue was redundancy and time. Commissioner Levin asked if the Zone Change was tethered to the Community Plan Amendment and separated it from the Development Review, then it didn't go forward, would that rezoning be conditioned for some future Development Review proposal acceptance. Cari indicated that one of the reasons to have the Community Plan Amendment and the Zone Change go through together is that the Zone Change is conditioned on the site plan and Development Review. If Sky Ranch had gone through the Zone Change with their Community Plan Amendment, they could have committed to the trail and entered into a Development Agreement to provide affordable housing and made contributions to the improvement of Airport Mesa without going through the full Development Review, so if there is a way to condition the Zone Change on those things other than the site plan, that might be a possibility.

Commissioner Levin asked about if they chose not to go forward after getting the Zone Change, and Cari indicated that the zoning would remain as long as their commitments were fulfilled. Chair Losoff added that not every project is the same, so we want to be sure we don't expedite to the point of becoming sloppy or jeopardizing our standards.

7. **FUTURE MEETING DATES AND AGENDA ITEMS**
- a. **Tuesday, April 15, 2014; 5:30 pm (Regular)**
 - b. **Thursday, May 1, 2014; 3:30 pm (Work Session)**
 - c. **Tuesday, May 6, 2014; 5:30 pm (Regular)**
 - d. **Thursday, May 15, 2014; 3:30 pm (Work Session)**

Cari Meyer indicated that on Tuesday, April 15th, there will be a public hearing for Sedona Rouge, and on May 1st, there will be a work session for the Mormon Hill, now known as Sky Ridge, resubmittal for their Preliminary Plat, and their application material is online now. On May 6th, there will be a public hearing for a Conditional Use Permit renewal for Sedona ATV & Buggy Rentals. Chair Losoff indicated that there might be other things put on the May 6th agenda for discussion, such the projects, the process we just discussed, and another Citizen Engagement group that is talking about community benefits.

Cari added that there is nothing on the May 15th agenda at the moment, and Commissioner Levin indicated that she has been called for Jury Duty on April 15th. Cari then indicated that on the 6th, discussions on both of the work groups could be included.

8. **EXECUTIVE SESSION**

If an Executive Session is necessary, it will be held in the Vultee Conference Room at 106 Roadrunner Drive. Upon a public majority vote of the members constituting a quorum, the Planning and Zoning Commission may hold an Executive Session that is not open to the public for the following purposes:

- a. **To consult with legal counsel for advice on matters listed on this agenda per A.R.S. § 38-431.03(A)(3).**
- b. **Return to open session. Discussion/possible action on executive session items.**

No Executive Session was held.

9. **ADJOURNMENT**

Chair Losoff called for adjournment at 4:58 p.m., without objection.

I certify that the above is a true and correct summary of the work session of the Planning & Zoning Commission held on April 10, 2014.

Donna A. S. Puckett, *Administrative Assistant*

Date